

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

JUDGE SWAIN

UNITED STATES OF AMERICA

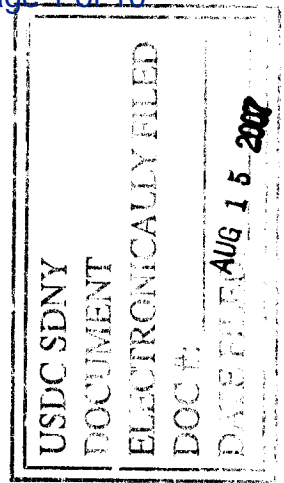
- v. -

JOSEPH IGHODARO

Defendant.

INFORMATION

07 Cr. ____



07 CRIM 759

COUNT ONE
(Conspiracy)

The United States Attorney charges:

Background To The Conspiracy

1. At all times relevant to this Information:

(a) Hirank International, Inc. ("Hirank") was a corporate entity that provided various services to its clients, including tax return preparation services. Defendant JOSEPH IGHODARO was the owner and President of Hirank, which operated out of an office located at 629 Lenox Avenue, New York, New York.

(b) Defendant JOSEPH IGHODARO personally prepared, and assisted in the preparation of, tax returns for clients of Hirank.

(c) A co-conspirator ("CC-1"), not named as a defendant herein, worked for Hirank by preparing, and assisting in the preparation of, tax returns for clients of Hirank.

(d) Individuals report their income, and any attendant tax obligations, on a U.S. Individual Income Tax Return, Form 1040 (hereinafter "Form 1040"), which must be filed with the Internal Revenue Service ("IRS").

(e) IRS Form W-2 ("Wage and Tax Statement"), is a form prepared by employers that documents wage compensation paid to employees, as well as income and other employment-related taxes withheld from an employee's pay for a given tax year. A taxpayer who receives a Form W-2 from his or her employer is required to file the Form W-2 with the IRS together with the taxpayer's Form 1040, documenting the taxpayer's receipt of wage income for that particular tax year from the employer that issued the W-2.

(f) Schedule A ("Itemized Deductions"), an IRS form that is attached to Form 1040 when applicable, must be used by taxpayers to document certain permissible deductions from taxable income to which the taxpayers claim entitlement. Deductions reported on Schedule A include, among others: Medical and dental expenses, gifts to charity, and job-related and other miscellaneous expenses.

(g) Form 8453 ("U.S. Individual Income Tax Declaration for an IRS e-file Return") must be used by taxpayers who decide to have their U.S. Individual Income Tax Returns filed electronically. Though Form 1040 and its supporting

schedules may be filed electronically, Form 8453 requires review, signature, and submission by the taxpayer and his or her return preparer. Information contained on Form 8453 includes summary income and tax information from the corresponding Form 1040 tax return to be electronically filed, such as: adjusted gross income, total tax, and the total refund or amount owed by the taxpayer.

(h) Filing electronically allows individual taxpayers, and their designated return preparers, to have the IRS send tax refunds expeditiously, and to take advantage of "rapid refund" loan programs sponsored by third-party banks.

The Conspiracy

2. From on or about February 21, 1999, continuing through at least on or about April 30, 2002, in the Southern District of New York and elsewhere, defendant JOSEPH IGHODARO and others known and unknown, unlawfully, wilfully, and knowingly did combine, conspire, confederate and agree together and with each other to defraud the United States and an agency thereof, to wit the IRS of the United States Department of the Treasury, and to commit offenses against the United States, to wit, violations of Title 26, United States Code, Sections 7206(2) and 7201.

Objects of the Conspiracy

3. It was an object of the conspiracy that the defendant and others, known and unknown, would and did conspire

to defraud the United States of America and the IRS by impeding, impairing, defeating and obstructing by deceitful and dishonest means the lawful governmental functions of the IRS in the ascertainment, evaluation, assessment and collection of income taxes.

4. It was further an object of the conspiracy that the defendant and others known and unknown, unlawfully, wilfully and knowingly would and did aid and assist in, and procure, counsel and advise the preparation and presentation under the internal revenue laws of returns, claims and other documents, to wit, certain U.S. Individual Income Tax Returns for the tax years 1998 through 2001, which were fraudulent and false as to material matters, in violation of Title 26, United States Code, Section 7206(2).

5. It was further an object of the conspiracy that the defendant and others, known and unknown, unlawfully, wilfully and knowingly would and did attempt to evade and defeat taxes due and owing to the United States, namely, a substantial part of the income, social security, and medicare taxes due and owing by certain Hiranck employees for the tax years 1998 through 2001, in violation of Title 26, United States Code, Section 7201.

Means of the Conspiracy

6. It was a means of the conspiracy that the defendant JOSEPH IGHODARO and others, known and unknown, would

and did regularly cause Hirank clients to file U.S. Individual Income Tax Returns that were false and fraudulent.

Specifically, defendant and others prepared and caused to be filed with the IRS false and fraudulent Schedules A for the clients of Hirank. Those Schedules A were false and fraudulent in that they claimed certain itemized deductions that were fictitious and/or fraudulently-inflated, including false medical and dental expenses, charitable contributions, job-related expenses, and other miscellaneous deductions. The falsification of deductions and expenses on their clients' tax returns had the effect of reducing their clients' taxable income, resulting in IRS refunds being issued to said clients.

7. It was a further means of the conspiracy that defendant JOSEPH IGHODARO would and did routinely pay "off the books" wages to certain Hirank employees; that is, JOSEPH IGHODARO paid wages to Hirank employees without (i) reporting those wages to the IRS, and (ii) withholding and paying over to the IRS the employer's portion of income, social security, and medicare taxes, so as to evade and defeat said taxes.

Overt Acts

8. In furtherance of the conspiracy and to effect the objects thereof, defendant JOSEPH IGHODARO and others, known and unknown, committed and caused to be committed, in the Southern District of New York and elsewhere, the following overt acts:

a. On or about February 21, 1999, JOSEPH IGHODARO, the defendant, caused to be filed with the IRS a Form 1040, for the tax year 1998, which claimed false and fraudulent Schedule A deductions for Client 1.

b. On or about March 27, 1999, JOSEPH IGHODARO, the defendant, caused to be filed with the IRS a Form 1040 for the tax year 1998, which claimed false and fraudulent Schedule A deductions for Client 2.

c. On or about April 8, 2000, JOSEPH IGHODARO, the defendant, caused to be filed with the IRS a Form 1040 for the tax year 1999, which claimed false and fraudulent Schedule A deductions for Client 2.

d. On or about January 24, 2001, CC-1 signed and caused to be filed with the IRS a joint Form 1040 for the tax year 2000, which claimed false and fraudulent Schedule A deductions for Clients 3 and 4.

e. On or about March 8, 2001, JOSEPH IGHODARO, the defendant, signed and caused to be filed with the IRS a Form 1040 for the tax year 2000, which claimed false and fraudulent Schedule A deductions for Clients 5 and 6.

f. On or about March 18, 2002, CC-1 signed and caused to be filed with the IRS a joint Form 1040 for the tax year 2001, which claimed false and fraudulent Schedule A deductions for Client 7.

g. On or about March 18, 2002, JOSEPH IGHODARO, the defendant, signed and caused to be filed with the IRS a false and fraudulent Form 8453 for Client 7.

h. On or about February 19, 2002, CC-1 signed and caused to be filed with the IRS a Form 1040 for the tax year 2001, which claimed false and fraudulent Schedule A deductions, for Client 8.

i. On or about January 24, 2002, CC-1 signed and caused to be filed with the IRS a Form 1040 for the tax year 2001, which claimed false and fraudulent Schedule A deductions, for Client 9.

j. On or about January 24, 2002, JOSEPH IGHODARO, the defendant, caused to be filed with the IRS a false and fraudulent Form 8453 for Client 9.

k. On or about February 14, 2002, CC-1 signed and caused to be filed with the IRS a Form 1040 for the tax year 2001, which claimed false and fraudulent Schedule A deductions, for Client 10.

l. On or about February 14, 2002, JOSEPH IGHODARO, the defendant, caused to be filed with the IRS a false and fraudulent Form 8453 for Client 10.

(Title 18, United States Code, Section 371).

COUNT TWO

(Aiding and Assisting in the Preparation of A
False Income Tax Return)

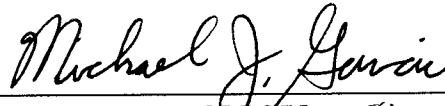
The United States Attorney further charges:

9. The allegations contained in paragraph 1 are repeated, realleged and incorporated by reference as though set forth fully herein.

10. On or about March 8, 2001, in the Southern District of New York, JOSEPH IGHODARO, the defendant, unlawfully, wilfully and knowingly, did aid and assist in, and procure, counsel and advise the preparation and presentation under, and in connection with, matters arising under the internal revenue laws, of returns, claims and other documents, to wit, a U.S. Individual Income Tax Return, Form 1040, for the tax year 2000, filed in the names of Clients 5 and 6, which was false and fraudulent as to material matters in that the return represented that said Clients were entitled to certain Schedule A deductions, namely, medical and dental expenses totaling \$9,245, gifts to charity totaling \$12,017, unreimbursed employee expenses totaling \$6,283, and other miscellaneous expenses totaling \$16,219, whereas, as defendant JOSEPH IGHODARO then and there well knew and believed, the said taxpayers had not

incurred said expenses, and were therefore not entitled to claim the said deductions for the said items in the said amounts.

(Title 26, United States Code, Section 7206(2)).


MICHAEL J. GARCIA *SSK*
United States Attorney

Form No. USA-33s-274 (Ed. 9-25-58)

**UNITED STATES DISTRICT COURT
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UNITED STATES OF AMERICA

- v -

JOSEPH IGHODARO,

Defendant.

INFORMATION

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18 U.S.C. § 371
26 U.S.C. § 7206(2)

MICHAEL J. GARCIA
United States Attorney.
